DOCUMENT RESUME

ED 456 206 UD 034 382

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TITLE Poverty Trends for Families Headed by Working Single Mothers, 1993-1999.
INSTITUTION Center on Budget and Policy Priorities, Washington, DC.
SPONS AGENCY Ford Foundation, New York, NY.; Joyce Foundation, Chicago, IL.; John D. and Catherine T. MacArthur Foundation, Chicago, IL.; Mott (C.S.) Foundation, Flint, MI.
PUB DATE 2001-08-00
NOTE 34p.
AVAILABLE FROM For full text: http://www.cbpp.org/.
PUB TYPE Reports - Evaluative (142)
EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS Child Welfare; Children; *Family Income; Federal Programs; *Feminization of Poverty; *Mothers; *One Parent Family; *Poverty; Working Poor
IDENTIFIERS Earned Income Tax Credit; Personal Responsibility and Work Opp Recon Act; Welfare to Work Programs

ABSTRACT

This analysis examines poverty in families headed by working single mothers, addressing whether and to what degree their economic situations have improved. It investigates the effect of the 1996 Personal Responsibility and Work Opportunity Reconciliation Act, which moved single mothers from welfare to work. Poverty data from the annual Census Bureau Current Population Survey for 1993-99 were used. No progress was evident in reducing poverty between 1995-99 in families headed by working single mothers. Poverty rates for families with children not headed by single mothers dropped from 1993-99. The poverty gap in families headed by working single mothers grew larger since 1995. A major factor in the lack of progress in reducing poverty in this group after 1995 was the contraction of certain government safety net programs. Declines in the anti-poverty impact of government benefit programs occurred despite the increasing effectiveness of the Earned Income Tax Credit in reducing poverty among people in working single mother families. After 1995, declines in the effectiveness of the safety net in reducing poverty among these families offset the effect of the improving economy, halting the reduction of poverty rates for those families and pushing those who remained poor deeper into poverty. (SM)

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ED 456 206

Poverty Trends for Families Headed by Working Single Mothers

1993 to 1999

Kathryn H. Porter
Allen Dupree

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August 2001

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Acknowledgments

The authors thank Wendell Primus for his help and guidance throughout the analysis and writing of this report. We also appreciate the comments of Robert Greenstein and Sandra Clark on several drafts of the report and the assistance of Wendy Burnette in formatting.

We are also grateful for the financial support of the Ford Foundation, the Joyce Foundation, the John D. and Catherine T. MacArthur Foundation, and the Charles Stewart Mott Foundation. Without their generous support, this report could not have been written.

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Executive Summary

This analysis focuses on poverty in families headed by single mothers who work. In recent years, large numbers of families headed by single mothers have moved from welfare to work. This report addresses the question whether and to what degree those who work have improved their economic situation.

Among people in families headed by working single mothers, there was no progress in reducing poverty between 1995 and 1999, despite an expanding economy. Reductions in poverty as a result of economic growth were entirely offset by increases in poverty due to contractions in government safety net programs.

- Before counting the benefits of government safety net programs (including cash and non-cash programs such as food assistance and housing subsidies) as well as taxes and the Earned Income Tax Credit, the poverty rate for people in working single-mother families fell from 35.5 percent in 1995 to 33.5 percent in 1999. Poverty measured *before* counting government benefits and taxes primarily reflects the impact of changes in the economy on private sources of income, especially earnings.

- But *after* counting government benefits and taxes, the poverty rate among people in working single-mother families was 19.4 percent in 1999 — not significantly different from their 19.2 percent poverty rate in 1995.

This is in contrast to the earlier 1993 to 1995 period, when poverty rates dropped for people in working single-mother families, both before and after counting government benefits and taxes. During this period, which preceded enactment of the 1996 welfare law, safety net programs for low-income working families expanded and had a larger impact in reducing poverty among these families. This added to the effect of the economy in reducing poverty.

- Between 1993 and 1995, the poverty rate for people in working single-mother families edged down from 36.6 percent to 35.5 percent, before counting government benefits and taxes.

- After these benefits and taxes are counted, the poverty rate for people in these families fell more sharply, from 24.5 percent to 19.2 percent.

Among families with children that are *not* headed by single mothers, poverty rates dropped during the entire 1993 to 1999 period, both before and after counting government benefits and taxes.

- Before counting government benefits and taxes, the poverty rate for other families with children dropped from 14.7 percent in 1993 to 10.6 percent in 1999. After these benefits are counted, the poverty rate for these families fell from 10.7 percent to 6.8 percent over the same period.

In addition, the "poverty gap" for people in families headed by a working single mother has grown larger since 1995. (The poverty gap is the amount of money needed to bring all poor people up to the poverty line and measures the depth or severity of poverty.) These data show that working single-mother families that are poor have, on average, gotten poorer.

- After counting government benefits and taxes, the total poverty gap for people in working single-mother families grew from $5 billion in 1995 to $6.3 billion in 1999. By comparison, the poverty gap for people in working families with children that are not headed by single mothers fell during this period.

- Between 1997 and 1999, the number of poor people living in families headed by a working single mother declined from 4.3 million to 4.2 million. During the same period, the poverty gap for these families rose from $5.8 billion to $6.3 billion, after counting government benefits and taxes. This shows that, on average, working single-mother families that were poor became poorer.

- As a further indication of the increasing depth of poverty among working single-mother families, the average poverty gap, as calculated per poor person in these families, rose from $1,357 in 1997 to $1,505 in 1999, after counting government benefits and taxes. In 1999, the per-person poverty gap for these families was at its highest level since 1993. By contrast, the per-person poverty gap for other working families with children remained below $1,200 and did not increase over the period from 1993 to 1999.

A major factor in the lack of progress in reducing poverty among people in working single-mother families after 1995 was the contraction of certain government safety net programs.

- In 1995, some 46 percent of people in working single-mother families who were poor before counting government benefits were lifted out of poverty by these benefits (i.e. their incomes rose above the poverty line when these benefits were included in their income). By 1999, the proportion of people in these families who were lifted out of poverty by government benefits had dropped to 42.2 percent.

- In 1995, government safety net programs reduced the poverty gap for working single-mother families by 67.9 percent compared to the poverty gap these families faced before counting these benefits. In 1999, government benefits reduced the poverty gap for these families by 60.5 percent.

This decline in the anti-poverty impact of government benefit programs occurred in spite of the increasing effectiveness of the Earned Income Tax Credit in reducing poverty among people in working single-mother families. The increase in the anti-poverty effect of the EITC was more than offset after 1995 by a substantial decline in the impact of cash assistance and food stamps.

- In 1995, the EITC lifted out of poverty 20 percent of people in working single-mother families who would otherwise be poor; in 1999, the credit lifted out of poverty 26.7 percent of people in these families.

- But the proportion of people in working single-mother families who were lifted out of poverty by cash assistance and food stamps fell sharply, from 15.5 percent in 1995 to 10.4 percent in 1999, with the decline particularly marked in the food stamp program.

- In 1995, cash assistance reduced the poverty gap for people in working single-mother families by 21 percent; by 1999, cash assistance reduced the poverty gap for people in this group by 13.6 percent.

- Similarly, in 1995, the combination of cash assistance and food stamps reduced the poverty gap for people in working single-mother families by 35.6 percent. In 1999, these benefits reduced the poverty gap for these families by 26.4 percent. This is a drop of more than one-fourth in four years in the impact of food stamps and cash assistance on the poverty gap for people in these families.

These findings suggest that after 1995, declines in the effectiveness of the safety net in reducing poverty among families headed by working single mothers offset the effect of the improving economy, halting the reduction of the poverty rate for these families and pushing those who remained poor deeper into poverty.

I. INTRODUCTION

Since 1996, when the Personal Responsibility and Work Opportunity Reconciliation Act was enacted, the number of families receiving cash assistance has dropped dramatically. This is the result of changes embodied in the law, the longest economic recovery in recent memory, and policies designed to make work pay, such as expansions in the Earned Income Tax Credit. Although it is clear that enactment of the welfare law had an effect on the number of families receiving assistance and the law apparently contributed to increases in employment among single mothers, other questions relating to the impact of the law remain unanswered.

One question concerns the impact of the law on child poverty. This report examines poverty data to help illuminate this issue. The analysis in this report focuses on individuals who live in families with children headed by a single female parent, as these families constitute the vast majority of those eligible for the kind of cash assistance that was replaced, under the welfare law, by the Temporary Assistance for Needy Families program.

In particular, this analysis focuses on poverty in single-mother families where the mother works. Part of the rationale behind the 1996 Act was that moving single mothers from welfare to work is the best way to improve their economic status. Following enactment of the law, large numbers of single-mother families did move from welfare to work. This raises the question whether and to what degree those who went to work improved their economic situation. By focusing on the poverty status of those single-mother families who work, this analysis attempts to help answer this question.

II. POVERTY IN FAMILIES WITH CHILDREN

This report examines poverty data between 1993, the year in which the poverty rate reached its most recent peak, and 1999, the last year for which we have data. Since 1993, the poverty rate for people living in families with children under 18 has steadily declined. As measured before counting any government benefits,[1] the poverty rate for individuals in families with children fell from 22.2 percent in 1993 to 16.4 percent in 1999. After counting government benefits (including benefits not in the form of cash) and taxes, the poverty rate for those living in families with children fell from 16.4 percent in 1993 to 10.6 percent in 1999.

Table 1
Poverty Rates for People in Families with Children

	1993	1994	1995	1996	1997	1998	1999
Poverty rates before counting government benefits	22.2%	21.3%	20.0%	19.6%	19.0%	17.8%	16.4%
Poverty rates after counting government benefits	16.4%	14.5%	13.0%	12.9%	12.4%	11.5%	10.6%

When poverty is measured before counting government benefits, the poverty rate dropped each year from 1993 onward, although the drop was somewhat smaller between 1995 and 1997 than in other years. Poverty measured before counting government benefits primarily reflects the impact of changes in the economy on private sources of income, especially earnings. The steady

[1]For a more detailed description of what it means to measure poverty before and after counting government benefits, see the box on the next page.

How Poverty Before and After Counting Government Benefits is Measured

This report uses annual data from the Census Bureau's Current Population Survey on the incomes of the American people, the same data on which the official poverty measure is based. These Census data include cash income from earnings, Social Security payments, Unemployment Compensation, Supplemental Security Income, welfare payments, and other government cash benefits. The Census data also include certain government benefits not in the form of cash — such as food stamps, school lunches, and housing assistance — as well as federal income and payroll taxes paid and federal Earned Income Tax Credit payments received.

The official poverty measure is based on a definition of income that includes cash payments an individual or family receives, whether from earnings, government benefits, or any other source. Benefits not in the form of cash are not counted as income in the official measure. To determine whether an individual or family is poor under the official poverty measure, that individual's or family's cash income is compared to the poverty line, which was $17,029 for a family of four in 1999.

This analysis uses two alternative measures of poverty that differ from the official poverty measure. These alternatives compare income to the official poverty line but use different definitions of income. One of the measures used in this report — poverty before counting government benefits — excludes government benefits, taxes, and the EITC from income. The number of people counted as poor under this poverty measure is higher than under the official poverty count.

Another measure used in this report is poverty after government benefits are counted. This measure counts nearly all government benefits other than health insurance, including not only cash assistance but also benefits provided in forms other than cash, such as food stamps and housing subsidies. Like the official poverty measure, this measure also encompasses cash assistance provided by state and local governments, including special state-funded cash aid for immigrants and state supplements to the federal Supplemental Security Income program. It also reflects the effect of federal income and payroll taxes, including the EITC. The number of people counted as poor under this measure is lower than the official poverty count because this measure includes non-cash government benefits and the EITC, which are not included in the official poverty measure.

Medical insurance programs such as Medicare and Medicaid are not included as income in these measures because these programs provide insurance protection rather than benefits that can be used for basic living expenses like food or rent. When the poverty line was set, it did not take into account the costs of medical insurance. If medical insurance programs were counted as income, the poverty line would have to be adjusted upward to compensate. The definition of income used in this measure, which counts major non-cash benefits other than health insurance as income, is similar to that recommended for measuring poverty by an expert panel of the National Academy of Sciences in 1995.

Using these two measures of poverty enables us to examine the effect of government programs on poverty. This effect can be determined by comparing the number or percentage of people who are poor before government benefits are counted as part of their incomes to the number or percentage who are poor after government benefits are counted. The difference represents the impact of government benefit programs in lifting people out of poverty.

It should be noted that the measure of poverty before counting government benefits is not intended to represent the number of people who would be poor if government benefit programs did not exist. Without these programs, other institutional and behavioral changes likely would occur that would affect the extent of poverty.

decline in poverty before counting government benefits indicates that the action of the economy, most likely decreases in unemployment and increases in earnings, had a strong positive effect on poverty throughout this period.

After counting government benefits, the decline in the poverty rate was most pronounced from 1993 to 1995, with progress slowing markedly between 1995 and 1997. From 1997 to 1999, progress against poverty picked up but was still more moderate than the trend from 1993 to 1995. Poverty measured after counting government benefits reflects both the impact of the economy and the additional effect of the government benefits that make up the social safety net. When poverty is measured after counting government benefits, the steady progress against poverty seen before government benefits are counted becomes more uneven — greater in some years and less in others. This uneven progress indicates that the impact of government benefits on poverty has been greater in some years than in others.

Poverty in Single-Mother Families

This report focuses on people living in single-mother families, which are defined as families containing unmarried mothers (including those who are divorced or widowed) living with their children, whether or not there are other adults in the household. While the poverty rate for people in families with children *not* headed by single mothers declined fairly steadily from 1993 to 1999, for those in single-mother families, progress against poverty was more variable during this period.

Table 2
Poverty Rates for People in Families with Children

	1993	1994	1995	1996	1997	1998	1999
Single-mother families							
Before counting government benefits	55.1%	53.8%	50.8%	49.8%	50.6%	45.9%	42.8%
After counting government benefits	41.0%	37.2%	33.5%	33.3%	33.7%	30.0%	27.7%
Other families with children							
Before counting government benefits	14.7%	13.8%	12.8%	12.6%	11.9%	11.4%	10.6%
After counting government benefits	10.7%	9.3%	8.2%	8.1%	7.6%	7.3%	6.8%

For people in single-mother families, the poverty rate fell between 1993 and 1995, both before and after counting government benefits. During this period, the poverty rate among these families fell more sharply after counting government benefits than it did before government benefits were counted. This indicates that the safety net of government benefit programs was adding to the effect of the economy in reducing poverty.

Between 1995 and 1997, progress against poverty stopped for people in single-mother families, whether poverty is measured before or after counting government benefits. Following this period of stagnation, the poverty rate for single mother families fell sharply — by nearly eight percentage points — between 1997 and 1999, before counting government benefits. After counting government benefits, the poverty rate for these families also fell substantially, but somewhat less than the decline before counting government benefits. This shows that while the improving economy was reducing poverty among single-mother families between 1997 and 1999, government benefit programs were not adding to the reduction in poverty generated by the economy.

Poverty in Families with a Working Single Mother

Among people in families headed by a single mother, poverty trends were similar in working and non-working families, although levels of poverty were much higher in families without a worker. (A working single-mother family, as defined here, is a family in which the mother received any earnings during the year.) For both groups, poverty rates declined from 1993 to 1995, increased between 1995 and 1997, and fell again between 1997 and 1999.

Table 3
Poverty Rates for People in Single-Mother Families with Children

	1993	1994	1995	1996	1997	1998	1999
Single mothers with earnings							
Before counting government benefits	36.6%	37.0%	35.5%	35.9%	37.8%	35.3%	33.5%
After counting government benefits	24.5%	21.8%	19.2%	20.4%	21.1%	19.6%	19.4%
Single mothers without earnings							
Before counting government benefits	89.7%	90.1%	87.5%	87.9%	89.3%	84.3%	83.0%
After counting government benefits	71.6%	70.6%	67.9%	69.2%	72.0%	67.5%	63.9%

Among people in working single-mother families, poverty rates fell much more sharply between 1993 and 1995 after counting government benefits than before such benefits were counted. This indicates that for people in working single-mother families, government benefit programs reduced poverty more than the economy alone did during this period. Among other factors, this likely reflects the substantial expansion in the Earned Income Tax Credit during this period.

By contrast, from 1995 to 1997, the poverty rate for people in working single-mother families increased, both before and after counting government benefits. Between 1997 and 1999, poverty rates fell more steeply before counting government benefits than after such benefits were counted, reversing the relationship in 1993 to 1995. By 1999, poverty rates after counting

government benefits were no lower than they had been in 1995, although poverty rates before counting government benefits had dropped. The poverty rate for these families, after counting government benefits, was 19.2 percent in 1995 and 19.4 percent in 1999. This suggests that changes in government benefit programs may have detracted from the effect of an improving economy in reducing poverty among people in working single-mother families, causing poverty rates to stagnate or fall more slowly than they would have due to the effect of the economy alone.

This slowing of the reduction in poverty rates could have been affected by rapid increases in the proportion of single mothers who work. In 1993, two-thirds of single mothers had earnings; in 1999, four-fifths had earnings. The number of single working women heading families with children rose from 6.4 million in 1993 to 7.6 million in 1999, an increase of almost 20 percent in only six years. If the ranks of working single mothers were continuously swelled by mothers who were newly entering the labor market and whose earnings were lower than the earnings of those with more education or work experience, this might account for the lack of greater progress against poverty among those in working single-mother families.

Table 4
Proportion of Single Mothers Who Work

	1993	1994	1995	1996	1997	1998	1999
Women heading families with children (millions)	9.46	9.47	9.51	9.67	9.45	9.49	9.30
Number with earnings (millions)	6.43	6.74	6.95	7.27	7.30	7.55	7.62
Percent with earnings	67.9%	71.1%	73.1%	75.2%	77.2%	79.6%	81.9%

A number of factors, however, suggest the slowing of the rate of poverty reduction among people in working single-mother families was *not* due primarily to the increase in the proportion of single mothers who work. Between 1995 and 1999, poverty measured before counting government benefits — the measure that reflects the impact of earnings on poverty status — declined for people in families headed by a working single mother. It was only after counting government benefits that poverty rates showed no improvement between 1995 and 1999.

In addition, an examination of hours worked and median wages for all working single mothers shows that in the period between 1995 and 1999, the average hours worked per week, the average weeks worked per year, and the median wage received remained steady or rose slightly for working single mothers. This was also the case for those working single mothers at the bottom of the income scale. At the 20th percentile (those working single mothers whose incomes were lower than 80 percent of all working single mothers), average hours worked per week rose from 30 in 1995 to 33 in 1999. Average weeks worked per year rose from 31 in 1995 to 35 in 1999, and their median wage (adjusted for inflation) rose from $5.12 per hour in 1995 to

$5.55 per hour in 1999.[2] These figures do not support the theory that increases in the number of single mothers in the workforce resulted in reductions in average earnings and increases in poverty.

In summary, the data on poverty rates among people in families with children show less progress against poverty between 1995 and 1999 for those in single-mother working families than for people in other families with children. The poverty rate after counting government benefits was no lower in 1999 than in 1995 among people in single-mother families with earnings, even though the poverty rate before counting government benefits dropped during this period. Among families with children *not* headed by a single mother and among single-mother families *without* earnings, poverty rates were lower in 1999 than in 1995, both before and after counting government benefits. These findings suggest that after 1995, declines in the effectiveness of government safety net programs in reducing poverty among single mothers with earnings offset progress in reducing poverty that resulted from the expanding economy.

The rest of this report examines in more detail trends in poverty and in the impact of government benefits on poverty among people in families with children headed by working single mothers.

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[2]There were similar increases in average hours worked, average weeks worked, and median wage between 1995 and 1999 for working single mothers at the 10th percentile.

III. DIFFERENT TRENDS FOR WORKING SINGLE-MOTHER FAMILIES, OTHER WORKING FAMILIES

As discussed in the previous chapter, poverty rates for people living in families headed by working single mothers were no lower in 1999 than in 1995, after counting government benefits. This lack of progress against poverty is unique to families headed by working single mothers; people in other working families have seen an improvement in their poverty status since 1995.

Between 1993 and 1995, the poverty rate among people in working single-mother families fell sharply, after counting government benefits, from 24.5 percent to 19.2 percent. The poverty gap for people in these families also declined, from $5.9 billion in 1993 to $5 billion in 1995, after counting government benefits. The poverty gap is the amount of money needed to lift all who are poor exactly to the poverty line. It provides a measure of both the extent and the depth of poverty. (All poverty gap figures in this report are adjusted for inflation to be comparable to poverty gap figures for 1999.)

The following two years, from 1995 to 1997, saw a worsening of the poverty status of individuals living in families headed by a working single mother. Over this period, their poverty rate rose from 19.2 percent to 21.1 percent, and their poverty gap increased from $5 billion to $5.8 billion, almost the same level as in 1993.

Between 1997 and 1999, the poverty rate among people in working single-mother families once again declined, but those who were poor fell deeper into poverty. While the poverty rate for these individuals fell to 19.4 percent in 1999, their poverty gap increased to $6.3 billion.

This increase in the poverty gap, coupled with a decline in the number of people in these families who are poor and the drop in the poverty rate, indicates that those remaining in poverty

Table 5
Poverty Rates and Poverty Gaps for
Working Single-Mother Families and Other Working Families with Children

	1993	1994	1995	1996	1997	1998	1999
People in working single-mother families							
Number poor (millions) after counting government benefits	4.29	4.04	3.75	4.13	4.30	4.21	4.20
Poverty rate after counting government benefits	24.5%	21.8%	19.2%	20.4%	21.1%	19.6%	19.4%
Poverty gap (billions 1999 dollars) after counting government benefits	$5.9	$5.5	$5.0	$5.5	$5.8	$6.0	$6.3
Poverty gap per poor person (1999 dollars) after counting government benefits	$1,368	$1,353	$1,337	$1,320	$1,357	$1,423	$1,505
People in other working families with children							
Number poor (millions) after counting government benefits	9.00	7.74	7.03	6.97	6.49	6.29	6.22
Poverty rate after counting government benefits	8.1%	6.9%	6.2%	6.1%	5.6%	5.5%	5.3%
Poverty gap (billions 1999 dollars) after counting government benefits	$10.6	$8.3	$7.7	$7.4	$7.6	$6.8	$6.7
Poverty gap per poor person (1999 dollars) after counting government benefits	$1,182	$1,069	$1,098	$1,056	$1,174	$1,088	$1,085

were poorer, on average, in 1999 than in 1997. This is apparent from examining the per-person poverty gap, which is the total poverty gap divided by the number of poor people. This measure is an indicator of the depth of poverty for those who are poor. The poverty gap per poor person in working single-mother families rose from $1,357 in 1997 to $1,505 in 1999.

By 1999, the poverty gap for those in working single-mother families was higher than it had been in 1993, even though both the number of poor individuals in those families and their poverty rate were lower than in 1993.

By contrast, among people in *other* working families with children, the poverty gap declined between 1993 and 1999, along with the poverty rate. Most of these other families are headed by married couples, with a few headed by single fathers or other relatives. After counting government benefits, the poverty gap for people in other working families with children fell substantially from $10.6 billion in 1993 to $6.7 billion in 1999, in large part because of a dramatic

decrease in the number of people in these families who were poor. The decline in the poverty gap for these families contrasts sharply with the increase in the poverty gap for working single-mother families. (See Figure 1.)

The poverty *rate* also fell steadily for people in other working families with children, from 8.1 percent in 1993 to 5.3 percent in 1999

As Figure 2 shows, some of the difference in poverty gap trends is due to sharp increases in the depth of poverty for those in working single-mother families, as indicated by the trend in the per-person poverty gap. This measure of the depth of poverty increased rapidly for families headed by working single mothers after 1996. By contrast, the per person poverty gap did not show a consistent trend during this period for other working families with children.

In summary, while other working families with children have seen improvements in their poverty status nearly every year since 1993, people living in working single-mother families have not. Between 1993 and 1995, both the poverty rate and the depth of poverty for people in working single-mother families improved, but from 1995 to 1997, this progress was reversed. During the 1997 to 1999 period, fewer people in single-mother families fell into poverty, but for those who were poor, the depth of their poverty increased.

Figure 1
Poverty Gaps for Single-Mother and Other Working Families with Children

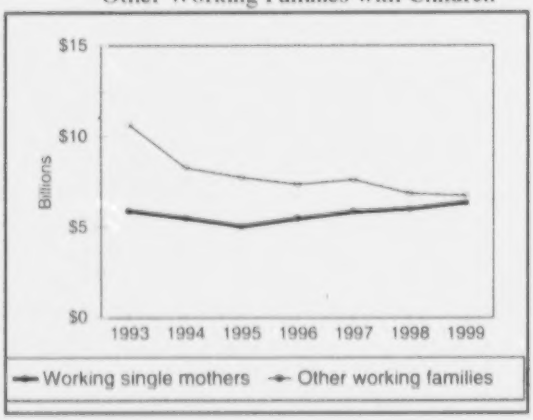
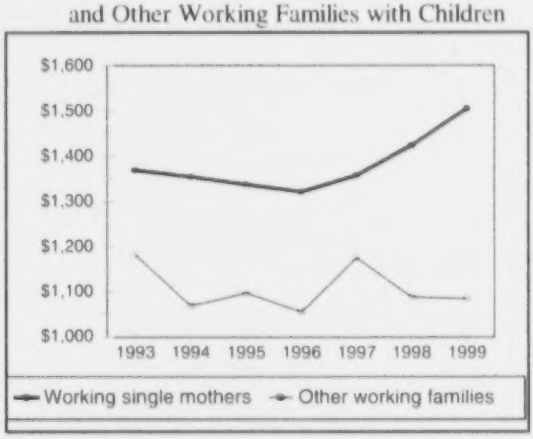


Figure 2
Per Person Poverty Gap for Single-Mother and Other Working Families with Children



IV. EFFECT OF ASSISTANCE PROGRAMS ON POVERTY AMONG WORKING SINGLE-MOTHER FAMILIES

Examining changes in the effectiveness of the safety net helps to explain poverty trends for people in families headed by working single mothers. The data show that since 1995, the government benefit programs that constitute the safety net for families with children have become less effective in reducing poverty among people in working single-mother families. While the impact of the EITC in reducing poverty among families headed by working single mothers has increased, the anti-poverty impact of cash assistance and food stamps has declined.

Impact of Safety Net on the Poverty Rate

Between 1993 and 1995, the poverty rate among people in working single-mother families fell sharply. During this same period, the proportion of people in these families who were lifted out of poverty by government benefits increased. In 1993, some 32.9 percent of people in working single-mother families who were poor before counting government benefits were lifted out of poverty when these benefits were included in their income. By 1995, the proportion of people in these families who were lifted out of poverty by government benefits had risen to 46 percent.

This increase in the effectiveness of government benefits in reducing poverty came about largely because of expansions in the EITC during this period and also because participation rates (and, to a lesser degree, benefit levels in the food stamp program) grew. As Table 6 shows, the impact of both the EITC and food stamps in lifting individuals in working single-mother families out of poverty nearly doubled during this period.

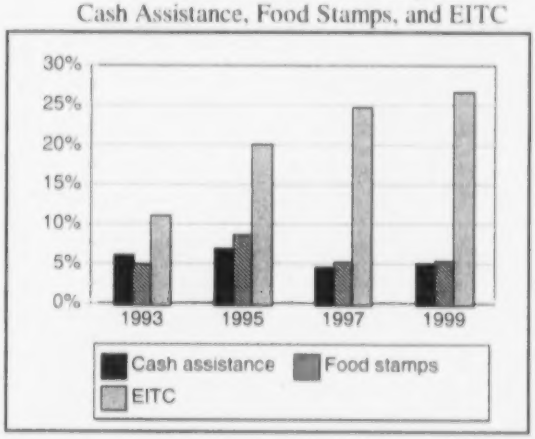
Table 6
People in Working Single-Mother Families
Lifted out of Poverty by Government Benefits

Percent of people in working single-mother families lifted out of poverty by	1993	1994	1995	1996	1997	1998	1999
Cash assistance and food stamps	11.0%	13.9%	15.5%	12.0%	9.8%	11.1%	10.4%
Cash assistance	6.1%	6.8%	6.9%	5.3%	4.6%	5.0%	5.0%
Food stamps	4.9%	7.1%	8.6%	6.7%	5.3%	6.2%	5.4%
Earned Income Tax Credit	11.2%	16.4%	20.0%	20.8%	24.9%	25.4%	26.7%
Other benefits	10.8%	11.0%	10.5%	10.6%	9.6%	7.8%	5.2%
Total government benefits and taxes	32.9%	41.2%	46.0%	43.4%	44.3%	44.3%	42.2%

Since 1995, the overall impact of government benefits in lifting people in working single mother families out of poverty has declined somewhat. In 1995, some 46 percent of people in single-mother families were lifted out of poverty by government benefits; in 1999, government benefits lifted 42.2 percent of people in these families out of poverty.

While the effect of the EITC in reducing the number of poor individuals in this group continued to increase (both as a result of EITC expansions that phased in through tax year 1996 and as a result of increases in earnings among this group), the increase — while substantial — was not as large as it had been between 1993 and 1995. More important, the proportion of people in this group who were lifted out of poverty by cash assistance and food stamps fell sharply from 15.5 percent in 1995 to 10.4 percent in 1999, with the decline particularly marked in the food stamp program.[3] Figure 3 shows

Figure 3
Percentage Reduction in Poverty due to
Cash Assistance, Food Stamps, and EITC



[3]As Table 6 shows, there also was a substantial drop in the impact of other government benefit programs on poverty between 1995 and 1999. Other programs include Social Security, unemployment insurance, housing subsidies, and the school lunch program. This category also includes the impact of federal income and payroll taxes. Over this period, the effect of Social

(continued...)

how the increasing impact of the EITC was partly offset by the decline in the anti-poverty effect of cash assistance and food stamps after 1995.

Impact of Safety Net on Poverty Gap

From 1993 to 1995, the poverty gap for people in working single-mother families became smaller. This was due in part to an increase in the impact of government benefits on the poverty gap for these families, largely as a result of the increasing effect of the EITC. In 1993, government benefits reduced the poverty gap for this group by 62.6 percent, compared to what the poverty gap would have been in the absence of government benefits. In 1995, government benefits reduced the poverty gap for those in working single-mother families by 67.9 percent. The impact of the EITC in reducing the poverty gap markedly increased between 1993 and 1995, while the effect of cash assistance and food stamps remained about the same.

Table 7
Effect of Government Benefits on the Poverty Gap
For Working Single-Mother Families

Percent reduction in poverty gap for working single-mother families by	1993	1994	1995	1996	1997	1998	1999
Cash assistance and food stamps	35.3%	36.5%	35.6%	33.0%	30.6%	28.9%	26.4%
Cash assistance	21.5%	21.3%	21.0%	18.7%	16.4%	15.5%	13.6%
Food stamps	13.8%	15.2%	14.6%	14.3%	14.2%	13.4%	12.8%
Earned Income Tax Credit	7.9%	11.9%	12.9%	14.4%	16.1%	16.8%	17.5%
Other benefits	19.4%	17.8%	19.5%	20.6%	19.4%	18.2%	16.7%
Total government benefits and taxes	62.6%	66.2%	67.9%	68.1%	66.1%	63.9%	60.5%

After 1995, however, the poverty gap for people in working single-mother families grew larger, as the impact of government benefits on their poverty gap declined. In 1995, government benefits reduced the poverty gap for these families by 67.9 percent; by 1999, these benefits

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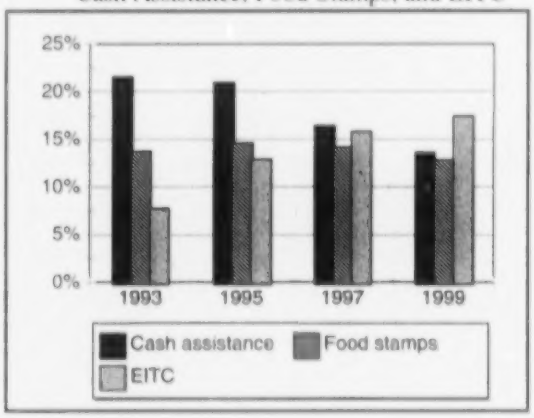
[3](...continued)
Security payments on poverty appears to have declined. This may be due to changes in the eligibility of disabled children and legal immigrants for SSI benefits, which are sometimes mistakenly reported by survey respondents as Social Security benefits. In addition, the negative impact of federal taxes on poverty increased during this period — as mothers earned more, their tax liability increased, leading to an increase in poverty due to the effect of taxes. As noted earlier, this increased tax liability was more than offset by increases in their EITC, which is shown separately on the table.

reduced the poverty gap by 60.5 percent. This decline occurred in spite of the increasing effect of the EITC in shrinking the poverty gap for people in working single-mother families.

Figure 4
Percent Reduction in Poverty Gap due to Cash Assistance, Food Stamps, and EITC



The increase in the impact of the EITC on the poverty gap was more than offset by a substantial decline in the impact of food stamps and especially cash assistance in reducing the poverty gap after 1995. In 1995, cash assistance reduced the poverty gap for people in working single-mother families by 21 percent; by 1999, cash assistance reduced the poverty gap for people in this group by 13.6 percent. This is a drop of one-third in four years in the impact of cash assistance on the poverty gap for people in these families.[4] During this period, the number of single-mother families receiving cash assistance, in the form of AFDC or TANF payments, fell dramatically. In addition, more single mothers worked part-time while receiving cash assistance, reducing the level of benefits received.

[4]As Table 7 indicates, the impact of other programs on the poverty gap declined somewhat after 1997. This was due primarily to the declining impact of Social Security benefits; see footnote 2.

V. CONCLUSION

This analysis of poverty among working single-mother families shows that these families have seen much less improvement in their poverty status since 1995 than have other families with children. After counting the benefits of government programs, the poverty rate for people in working single-mother families was no lower in 1999 than in 1995, even though their poverty rate before counting government benefits fell during this period. Other families saw declines in their poverty rates between 1995 and 1999, both before and after counting government benefits.

Among people in working single-mother families, the increase in the poverty gap since 1995 is particularly troubling. While the poverty rates of people in these families improved somewhat between 1997 and 1999, almost offsetting an increase in poverty rates between 1995 and 1997, the poverty gap for this group increased steadily during the entire period from 1995 to 1999. Since 1997, the reduction in poverty rates coupled with the increase in the poverty gap has meant that while the number of poor people living in working single-mother families has declined, those who are poor have, on average, grown poorer.

An examination of the effect of cash assistance, food stamps, and the EITC points to a reason for that development. Although the effect of the EITC in reducing the poverty gap for working single-mother families increased from 1995 to 1999, this effect was more than offset by a decline in the anti-poverty effect of cash assistance and food stamps for these families. Between 1995 and 1999, the impact of cash assistance on the poverty gap for working single-mother families dropped by more than one-third, while the effect of food stamps on the poverty gap for these families declined by one-eighth.

These findings suggest that after 1995, declines in the effectiveness of the safety net in reducing poverty among families headed by single mothers with earnings offset the effect of the improving economy, leading to a stagnation of their poverty rate and pushing those who remained poor deeper into poverty.

APPENDIX: METHODOLOGY

Data and Definitions

This analysis uses data from the Census Bureau's March Current Population Survey to determine the work and poverty status of families with children for the years 1993 to 1999. In this analysis, families with children are defined somewhat differently than they are in Census Bureau publications. The Census Bureau does not include as families what are called *unrelated secondary families* – family groups living in a household that are not related to the head of the household, such as live-in servants, boarders, or unrelated families living together. This analysis includes such families to provide a more complete picture of what has happened to the financial situation of families with children. As a practical matter, including these families does not have a substantial impact on the outcome of the analysis, as there are relatively few people living in such families.[5]

In determining whether a family was headed by a single mother, this analysis examined each related subfamily in the household separately. Related subfamilies are family groups living within a larger family to which the subfamily is related, such as a mother and her child living with the mother's own parents. Related subfamilies headed by an unmarried mother were considered single-mother families, although their incomes were combined with the incomes of other family members in determining whether the family was poor. This treatment of family income is consistent with standard Census Bureau methodology.

In this analysis, a family was considered to be a working family if the family head (or spouse, if present) reported any earned income. The work status of people living in related

[5]In 1999, there were 1.4 million people living in unrelated secondary families with children. This is less than one percent of all people living in families with children.

subfamilies was determined independently of the work status of the primary family. For example, a single mother who lived with her parents and reported no earnings would be considered not working, even if one of the single mother's parents was employed. In this case, the poverty status of the non-working single-mother family would be based on the income of the entire family, including the earnings of the mother's parent.

Underreporting of Benefits

One purpose of this analysis is to explore how the changing effectiveness of government assistance programs has affected the financial situation of families with children. To that end, we compare poverty rates based on family income before and after government benefits are counted. Like all survey data, the Census Bureau data do not capture all the government benefits that respondents receive. For various reasons, survey respondents may not report some of the benefits they get. If underreporting of benefits remains the same over time, it is unlikely to have a serious effect on analyses of changes in the impact of government benefits on poverty. If levels of underreporting change over time, however, they may impact measurements of changes in the effectiveness of government benefits in reducing poverty.

There is some evidence that underreporting of government benefits has increased over time, at least for AFDC/TANF. In 1993, the amount of AFDC benefits reported by respondents in the Current Population Survey equaled 75 percent of the total amount of benefits shown in the administrative data of the Department of Health and Human Services. By 1998, the amount of TANF benefits reported in the CPS was only 57 percent of total TANF benefits shown in the HHS administrative data. Although food stamp benefits also are underreported on the CPS, there has been less change in the amount of food stamp underreporting over time. Between 1993 and 1998, the percentage of food stamp benefits captured by the CPS ranged between 64 and 67 percent.[6]

Underreporting causes the poverty rate to be overstated somewhat. A simulation that adjusted the CPS for the underreporting of AFDC/TANF benefits found that the adjustment reduced the official poverty rate from 13.3 percent to 13.1 percent in 1997. If food stamps are included as income, the change is somewhat greater; the poverty rate would decrease from 12.7 to 12.2 percent.[7]

Changes in the degree of underreporting have the potential to affect trends in poverty and the impact of government benefits. The increasing level of underreporting of AFDC/TANF

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[6]Laura Wheaton and Linda Giannarelli, "Underreporting of Means-Tested Transfer Programs in the March CPS," forthcoming in American Statistical Association 2000 Proceedings of the Sections on Government Statistics & Social Statistics.

[7]Wheaton and Giannarelli.

benefits could add to the decline in the effectiveness of government benefits in reducing poverty rates and the poverty gap and cause this decline in effectiveness to look more serious than it actually is. There is, however, reason to believe that this effect is not a significant factor in the data this report examines. Over the same time period that the percentage of benefits that go unreported has increased, the total amount of government benefits paid out has declined. In effect, underreporting constitutes an increasing percentage of a declining amount of benefits. The rate of decline in benefits paid exceeded the rate of increase in underreporting, so that the *total dollar amount* that has gone unreported in the CPS has declined substantially (in real terms) from $8 billion in 1993 to $5.8 billion in 1998. This indicates that, if anything, underreporting may have caused the results reported here to underestimate the decline in the effectiveness of government benefits in reducing poverty.

Table A-1
IMPACT OF SAFETY NET ON POVERTY
INDIVIDUALS IN FAMILIES WITH CHILDREN

	1993	1994	1995	1996	1997	1998	1999
Total population (thousands)	144,551	145,814	146,227	146,797	147,551	147,482	148,360
Number of poor individuals (thousands):							
Cash income before transfers	32,084	31,056	29,306	28,782	28,065	26,284	24,359
Plus social insurance	28,806	27,923	26,395	26,154	25,097	23,697	21,738
Plus means-tested cash benefits (official measure)	26,975	25,898	24,513	24,356	23,527	22,444	20,406
Plus food stamps	25,270	24,128	22,731	22,871	22,199	21,149	19,333
Plus housing subsidies	24,435	23,241	21,941	22,157	21,559	20,481	18,701
Plus school lunch	23,682	22,278	20,871	21,125	20,846	19,536	17,999
Less federal taxes	26,159	25,088	22,609	23,355	22,663	21,632	20,205
Plus EITC	23,648	21,193	18,970	18,911	18,329	16,936	15,703
Poverty Rate (in percent):							
Cash income before transfers	22.2	21.3	20.0	19.6	19.0	17.8	16.4
Plus social insurance	19.9	19.1	18.1	17.8	17.0	16.1	14.7
Plus means-tested cash benefits (official measure)	18.7	17.8	16.8	16.6	15.9	15.2	13.8
Plus food stamps	17.5	16.5	15.5	15.6	15.0	14.3	13.0
Plus housing subsidies	16.9	15.9	15.0	15.1	14.6	13.9	12.6
Plus school lunch	16.4	15.3	14.3	14.4	14.1	13.2	12.1
Less federal taxes	18.1	17.2	15.5	15.9	15.4	14.7	13.6
Plus EITC	16.4	14.5	13.0	12.9	12.4	11.5	10.6
Number removed from poverty due to (thousands):							
Social insurance	3,279	3,133	2,911	2,628	2,968	2,586	2,620
Means-tested cash benefits	1,831	2,025	1,882	1,798	1,570	1,253	1,332
Food stamps	1,704	1,770	1,783	1,485	1,328	1,295	1,072
Housing subsidies	836	887	790	714	640	668	632
School lunch	753	963	1,070	1,032	713	945	702
Federal taxes	(2,477)	(2,810)	(1,738)	(2,230)	(1,817)	(2,096)	(2,205)
EITC	2,511	3,895	3,639	4,444	4,334	4,696	4,502
Total	8,436	9,863	10,337	9,871	9,736	9,347	8,656
Percent of individuals removed from poverty:							
Social insurance	10.2	10.1	9.9	9.1	10.6	9.8	10.8
Means-tested cash benefits	5.7	6.5	6.4	6.2	5.6	4.8	5.5
Food stamps	5.3	5.7	6.1	5.2	4.7	4.9	4.4
Housing subsidies	2.6	2.9	2.7	2.5	2.3	2.5	2.6
School lunch	2.3	3.1	3.7	3.6	2.5	3.6	2.9
Federal taxes	-7.7	-9.0	-5.9	-7.7	-6.5	-8.0	-9.1
EITC	7.8	12.5	12.4	15.4	15.4	17.9	18.5
Total	26.3	31.8	35.3	34.3	34.7	35.6	35.5
Percentage point reduction in poverty rate due to:							
Social insurance	2.3	2.1	2.0	1.8	2.0	1.8	1.8
Means-tested cash benefits	1.3	1.4	1.3	1.2	1.1	0.8	0.9
Food stamps	1.2	1.2	1.2	1.0	0.9	0.9	0.7
Housing subsidies	0.6	0.6	0.5	0.5	0.4	0.5	0.4
School lunch	0.5	0.7	0.7	0.7	0.5	0.6	0.5
Federal taxes	(1.7)	(1.9)	(1.2)	(1.5)	(1.2)	(1.4)	(1.5)
EITC	1.7	2.7	2.5	3.0	2.9	3.2	3.0
Total	5.8	6.8	7.1	6.7	6.6	6.3	5.8

Source: Poverty counts are based on calculations by the Census Bureau.

Table A-2
IMPACT OF SAFETY NET ON POVERTY
INDIVIDUALS IN SINGLE MOTHER FAMILIES

	1993	1994	1995	1996	1997	1998	1999
Total population (thousands)	26,898	27,172	27,746	27,669	27,085	27,347	26,660
Number of poor individuals (thousands):							
Cash income before transfers	14,830	14,625	14,096	13,769	13,695	12,541	11,399
Plus social insurance	13,850	13,649	13,285	12,800	12,652	11,702	10,647
Plus means-tested cash benefits (official measure)	13,028	12,739	12,336	11,981	11,917	11,066	9,982
Plus food stamps	12,380	11,867	11,354	11,186	11,295	10,442	9,466
Plus housing subsidies	11,683	11,198	10,785	10,661	10,858	9,962	8,995
Plus school lunch	11,411	10,765	10,178	10,220	10,510	9,599	8,729
Less federal taxes	11,755	11,281	10,734	10,811	11,078	10,188	9,364
Plus EITC	11,027	10,115	9,298	9,227	9,129	8,200	7,375
Poverty Rate (in percent):							
Cash income before transfers	55.1	53.8	50.8	49.8	50.6	45.9	42.8
Plus social insurance	51.5	50.2	47.9	46.3	46.7	42.8	39.9
Plus means-tested cash benefits (official measure)	48.4	46.9	44.5	43.3	44.0	40.5	37.4
Plus food stamps	46.0	43.7	40.9	40.4	41.7	38.2	35.5
Plus housing subsidies	43.4	41.2	38.9	38.5	40.1	36.4	33.7
Plus school lunch	42.4	39.6	36.7	36.9	38.8	35.1	32.7
Less federal taxes	43.7	41.5	38.7	39.1	40.9	37.3	35.1
Plus EITC	41.0	37.2	33.5	33.3	33.7	30.0	27.7
Number removed from poverty due to (thousands):							
Social insurance	980	976	812	969	1,044	839	752
Means-tested cash benefits	821	910	948	819	735	636	666
Food stamps	648	872	982	795	621	624	515
Housing subsidies	697	669	569	525	438	480	471
School lunch	272	433	608	442	347	363	266
Federal taxes	(344)	(516)	(556)	(591)	(568)	(589)	(635)
EITC	729	1,166	1,436	1,583	1,950	1,988	1,989
Total	3,803	4,510	4,798	4,542	4,567	4,341	4,024
Percent of individuals removed from poverty:							
Social insurance	6.6	6.7	5.8	7.0	7.6	6.7	6.6
Means-tested cash benefits	5.5	6.2	6.7	5.9	5.4	5.1	5.8
Food stamps	4.4	6.0	7.0	5.8	4.5	5.0	4.5
Housing subsidies	4.7	4.6	4.0	3.8	3.2	3.8	4.1
School lunch	1.8	3.0	4.3	3.2	2.5	2.9	2.3
Federal taxes	-2.3	-3.5	-3.9	-4.3	-4.1	-4.7	-5.6
EITC	4.9	8.0	10.2	11.5	14.2	15.9	17.5
Total	25.6	30.8	34.0	33.0	33.3	34.6	35.3
Percentage point reduction in poverty rate due to:							
Social insurance	3.6	3.6	2.9	3.5	3.9	3.1	2.8
Means-tested cash benefits	3.1	3.3	3.4	3.0	2.7	2.3	2.5
Food stamps	2.4	3.2	3.5	2.9	2.3	2.3	1.9
Housing subsidies	2.6	2.5	2.1	1.9	1.6	1.8	1.8
School lunch	1.0	1.6	2.2	1.6	1.3	1.3	1.0
Federal taxes	(1.3)	(1.9)	(2.0)	(2.1)	(2.1)	(2.2)	(2.4)
EITC	2.7	4.3	5.2	5.7	7.2	7.3	7.5
Total	14.1	16.6	17.3	16.4	16.9	15.9	15.1

Source: Poverty counts are based on calculations by the Census Bureau.

Table A-3
IMPACT OF SAFETY NET ON POVERTY
INDIVIDUALS IN OTHER FAMILIES WITH CHILDREN

	1993	1994	1995	1996	1997	1998	1999
Total population (thousands)	117,652	118,642	118,481	119,129	120,467	120,135	121,699
Number of poor individuals (thousands):							
Cash income before transfers	17,255	16,431	15,210	15,014	14,370	13,743	12,960
Plus social insurance	14,956	14,274	13,111	13,354	12,445	11,995	11,091
Plus means-tested cash benefits (official measure)	13,946	13,159	12,177	12,375	11,610	11,378	10,424
Plus food stamps	12,890	12,261	11,377	11,685	10,904	10,706	9,867
Plus housing subsidies	12,752	12,044	11,155	11,496	10,702	10,519	9,706
Plus school lunch	12,271	11,513	10,693	10,905	10,336	9,937	9,270
Less federal taxes	14,404	13,806	11,875	12,544	11,585	11,444	10,840
Plus EITC	12,622	11,078	9,672	9,684	9,201	8,737	8,328
Poverty Rate (in percent):							
Cash income before transfers	14.7	13.8	12.8	12.6	11.9	11.4	10.6
Plus social insurance	12.7	12.0	11.1	11.2	10.3	10.0	9.1
Plus means-tested cash benefits (official measure)	11.9	11.1	10.3	10.4	9.6	9.5	8.6
Plus food stamps	11.0	10.3	9.6	9.8	9.1	8.9	8.1
Plus housing subsidies	10.8	10.2	9.4	9.6	8.9	8.8	8.0
Plus school lunch	10.4	9.7	9.0	9.2	8.6	8.3	7.6
Less federal taxes	12.2	11.6	10.0	10.5	9.6	9.5	8.9
Plus EITC	10.7	9.3	8.2	8.1	7.6	7.3	6.8
Number removed from poverty due to (thousands):							
Social insurance	2,299	2,157	2,099	1,660	1,924	1,747	1,869
Means-tested cash benefits	1,010	1,115	933	979	835	618	667
Food stamps	1,056	898	801	690	706	672	557
Housing subsidies	139	217	221	189	203	187	161
School lunch	481	531	462	591	366	582	436
Federal taxes	(2,133)	(2,294)	(1,181)	(1,639)	(1,249)	(1,507)	(1,570)
EITC	1,782	2,729	2,203	2,860	2,384	2,707	2,512
Total	4,633	5,353	5,539	5,330	5,169	5,006	4,632
Percent of individuals removed from poverty:							
Social insurance	13.3	13.1	13.8	11.1	13.4	12.7	14.4
Means-tested cash benefits	5.9	6.8	6.1	6.5	5.8	4.5	5.1
Food stamps	6.1	5.5	5.3	4.6	4.9	4.9	4.3
Housing subsidies	0.8	1.3	1.5	1.3	1.4	1.4	1.2
School lunch	2.8	3.2	3.0	3.9	2.5	4.2	3.4
Federal taxes	-12.4	-14.0	-7.8	-10.9	-8.7	-11.0	-12.1
EITC	10.3	16.6	14.5	19.1	16.6	19.7	19.4
Total	26.9	32.6	36.4	35.5	36.0	36.4	35.7
Percentage point reduction in poverty rate due to:							
Social insurance	2.0	1.8	1.8	1.4	1.6	1.5	1.5
Means-tested cash benefits	0.9	0.9	0.8	0.8	0.7	0.5	0.5
Food stamps	0.9	0.8	0.7	0.6	0.6	0.6	0.5
Housing subsidies	0.1	0.2	0.2	0.2	0.2	0.2	0.1
School lunch	0.4	0.4	0.4	0.5	0.3	0.5	0.4
Federal taxes	(1.8)	(1.9)	(1.0)	(1.4)	(1.0)	(1.3)	(1.3)
EITC	1.5	2.3	1.9	2.4	2.0	2.3	2.1
Total	3.9	4.5	4.7	4.5	4.3	4.2	3.8

Source: Poverty counts are based on calculations by the Census Bureau

Table A-4

IMPACT OF SAFETY NET ON POVERTY
INDIVIDUALS IN WORKING SINGLE MOTHER FAMILIES

	1993	1994	1995	1996	1997	1998	1999
Total population (thousands)	17,492	18,567	19,578	20,306	20,378	21,435	21,695
Number of poor individuals (thousands):							
Cash income before transfers	6,394	6,875	6,953	7,299	7,709	7,559	7,276
Plus social insurance	5,792	6,246	6,406	6,577	7,022	7,011	6,855
Plus means-tested cash benefits (official measure)	5,403	5,777	5,927	6,191	6,669	6,637	6,491
Plus food stamps	5,091	5,291	5,326	5,700	6,264	6,170	6,100
Plus housing subsidies	4,800	4,954	5,030	5,393	5,937	5,862	5,774
Plus school lunch	4,682	4,698	4,690	5,139	5,667	5,582	5,553
Less federal taxes	5,005	5,166	5,141	5,649	6,215	6,128	6,143
Plus EITC	4,292	4,041	3,751	4,134	4,297	4,208	4,204
Poverty Rate (in percent):							
Cash income before transfers	36.6	37.0	35.5	35.9	37.8	35.3	33.5
Plus social insurance	33.1	33.6	32.7	32.4	34.5	32.7	31.6
Plus means-tested cash benefits (official measure)	30.9	31.1	30.3	30.5	32.7	31.0	29.9
Plus food stamps	29.1	28.5	27.2	28.1	30.7	28.8	28.1
Plus housing subsidies	27.4	26.7	25.7	26.6	29.1	27.3	26.6
Plus school lunch	26.8	25.3	24.0	25.3	27.8	26.0	25.6
Less federal taxes	28.6	27.8	26.3	27.8	30.5	28.6	28.3
Plus EITC	24.5	21.8	19.2	20.4	21.1	19.6	19.4
Number removed from poverty due to (thousands):							
Social insurance	603	629	548	722	687	548	421
Means-tested cash benefits	388	469	479	385	352	374	364
Food stamps	312	486	601	492	405	467	391
Housing subsidies	291	337	295	306	327	308	326
School lunch	119	256	341	254	270	280	221
Federal taxes	(324)	(468)	(451)	(510)	(548)	(546)	(590)
EITC	714	1,125	1,390	1,516	1,918	1,920	1,939
Total	2,102	2,834	3,202	3,165	3,412	3,351	3,072
Percent of individuals removed from poverty:							
Social insurance	9.4	9.2	7.9	9.9	8.9	7.2	5.8
Means-tested cash benefits	6.1	6.8	6.9	5.3	4.6	5.0	5.0
Food stamps	4.9	7.1	8.6	6.7	5.3	6.2	5.4
Housing subsidies	4.6	4.9	4.2	4.2	4.2	4.1	4.5
School lunch	1.9	3.7	4.9	3.5	3.5	3.7	3.0
Federal taxes	-5.1	-6.8	-6.5	-7.0	-7.1	-7.2	-8.1
EITC	11.2	16.4	20.0	20.8	24.9	25.4	26.7
Total	32.9	41.2	46.0	43.4	44.3	44.3	42.2
Percentage point reduction in poverty rate due to:							
Social insurance	3.4	3.4	2.8	3.6	3.4	2.6	1.9
Means-tested cash benefits	2.2	2.5	2.4	1.9	1.7	1.7	1.7
Food stamps	1.8	2.6	3.1	2.4	2.0	2.2	1.8
Housing subsidies	1.7	1.8	1.5	1.5	1.6	1.4	1.5
School lunch	0.7	1.4	1.7	1.3	1.3	1.3	1.0
Federal taxes	(1.9)	(2.5)	(2.3)	(2.5)	(2.7)	(2.5)	(2.7)
EITC	4.1	6.1	7.1	7.5	9.4	9.0	8.9
Total	12.0	15.3	16.4	15.6	16.7	15.6	14.2

Source: Poverty counts are based on calculations by the Census Bureau.

Table A-5
IMPACT OF SAFETY NET ON POVERTY
INDIVIDUALS IN NON-WORKING SINGLE MOTHER FAMILIES

	1993	1994	1995	1996	1997	1998	1999
Total population (thousands)	9,406	8,605	8,168	7,363	6,707	5,912	4,966
Number of poor individuals (thousands):							
Cash income before transfers	8,435	7,750	7,143	6,470	5,987	4,982	4,123
Plus social insurance	8,058	7,403	6,879	6,223	5,630	4,691	3,792
Plus means-tested cash benefits (official measure)	7,625	6,962	6,409	5,790	5,248	4,430	3,491
Plus food stamps	7,289	6,576	6,028	5,487	5,031	4,273	3,366
Plus housing subsidies	6,883	6,244	5,755	5,268	4,921	4,100	3,221
Plus school lunch	6,729	6,067	5,488	5,081	4,843	4,017	3,176
Less federal taxes	6,750	6,115	5,593	5,161	4,863	4,060	3,221
Plus EITC	6,735	6,074	5,547	5,094	4,832	3,992	3,171
Poverty Rate (in percent):							
Cash income before transfers	89.7	90.1	87.5	87.9	89.3	84.3	83.0
Plus social insurance	85.7	86.0	84.2	84.5	83.9	79.4	76.4
Plus means-tested cash benefits (official measure)	81.1	80.9	78.5	78.6	78.2	74.9	70.3
Plus food stamps	77.5	76.4	73.8	74.5	75.0	72.3	67.8
Plus housing subsidies	73.2	72.6	70.5	71.5	73.4	69.4	64.9
Plus school lunch	71.5	70.5	67.2	69.0	72.2	67.9	64.0
Less federal taxes	71.8	71.1	68.5	70.1	72.5	68.7	64.9
Plus EITC	71.6	70.6	67.9	69.2	72.0	67.5	63.9
Number removed from poverty due to (thousands):							
Social insurance	377	347	264	247	356	291	330
Means-tested cash benefits	433	441	469	433	383	262	302
Food stamps	336	386	381	303	217	157	124
Housing subsidies	406	332	274	219	110	173	145
School lunch	153	176	267	187	77	83	46
Federal taxes	(21)	(48)	(105)	(81)	(20)	(43)	(45)
EITC	15	41	46	68	31	68	50
Total	1,700	1,676	1,597	1,376	1,155	990	952
Percent of individuals removed from poverty:							
Social insurance	4.5	4.5	3.7	3.8	6.0	5.8	8.0
Means-tested cash benefits	5.1	5.7	6.6	6.7	6.4	5.3	7.3
Food stamps	4.0	5.0	5.3	4.7	3.6	3.1	3.0
Housing subsidies	4.8	4.3	3.8	3.4	1.8	3.5	3.5
School lunch	1.8	2.3	3.7	2.9	1.3	1.7	1.1
Federal taxes	-0.2	-0.6	-1.5	-1.2	-0.3	-0.9	-1.1
EITC	0.2	0.5	0.6	1.0	0.5	1.4	1.2
Total	20.2	21.6	22.4	21.3	19.3	19.9	23.1
Percentage point reduction in poverty rate due to:							
Social insurance	4.0	4.0	3.2	3.3	5.3	4.9	6.7
Means-tested cash benefits	4.6	5.1	5.7	5.9	5.7	4.4	6.1
Food stamps	3.6	4.5	4.7	4.1	3.2	2.7	2.5
Housing subsidies	4.3	3.9	3.4	3.0	1.6	2.9	2.9
School lunch	1.6	2.0	3.3	2.5	1.2	1.4	0.9
Federal taxes	(0.2)	(0.6)	(1.3)	(1.1)	(0.3)	(0.7)	(0.9)
EITC	0.2	0.5	0.6	0.9	0.5	1.1	1.0
Total	18.1	19.5	19.5	18.7	17.2	16.7	19.2

Source: Poverty counts are based on calculations by the Census Bureau

Table A-6
IMPACT OF SAFETY NET ON POVERTY
INDIVIDUALS IN OTHER WORKING FAMILIES WITH CHILDREN

	1993	1994	1995	1996	1997	1998	1999
Total population (thousands)	111,303	112,629	113,270	114,138	114,980	114,899	116,859
Number of poor individuals (thousands):							
Cash income before transfers	12,156	11,620	11,252	11,158	10,411	9,996	9,716
Plus social insurance	10,621	10,113	9,789	9,995	9,245	9,045	8,567
Plus means-tested cash benefits (official measure)	9,967	9,453	9,228	9,362	8,748	8,656	8,128
Plus food stamps	9,155	8,807	8,644	8,897	8,167	8,148	7,715
Plus housing subsidies	9,054	8,671	8,481	8,764	8,012	7,994	7,606
Plus school lunch	8,675	8,219	8,051	8,231	7,667	7,498	7,204
Less federal taxes	10,774	10,460	9,199	9,786	8,832	8,925	8,683
Plus EITC	8,995	7,744	7,029	6,965	6,488	6,292	6,217
Poverty Rate (in percent):							
Cash income before transfers	10.9	10.3	9.9	9.8	9.1	8.7	8.3
Plus social insurance	9.5	9.0	8.6	8.8	8.0	7.9	7.3
Plus means-tested cash benefits (official measure)	9.0	8.4	8.1	8.2	7.6	7.5	7.0
Plus food stamps	8.2	7.8	7.6	7.8	7.1	7.1	6.6
Plus housing subsidies	8.1	7.7	7.5	7.7	7.0	7.0	6.5
Plus school lunch	7.8	7.3	7.1	7.2	6.7	6.5	6.2
Less federal taxes	9.7	9.3	8.1	8.6	7.7	7.8	7.4
Plus EITC	8.1	6.9	6.2	6.1	5.6	5.5	5.3
Number removed from poverty due to (thousands):							
Social insurance	1,535	1,507	1,462	1,163	1,166	951	1,149
Means-tested cash benefits	654	661	561	632	497	389	439
Food stamps	812	645	584	465	581	508	413
Housing subsidies	101	136	163	133	156	154	110
School lunch	379	452	429	533	344	496	402
Federal taxes	(2,099)	(2,241)	(1,148)	(1,555)	(1,165)	(1,427)	(1,480)
EITC	1,778	2,716	2,170	2,821	2,345	2,632	2,466
Total	3,161	3,876	4,222	4,193	3,923	3,704	3,499
Percent of individuals removed from poverty:							
Social insurance	12.6	13.0	13.0	10.4	11.2	9.5	11.8
Means-tested cash benefits	5.4	5.7	5.0	5.7	4.8	3.9	4.5
Food stamps	6.7	5.6	5.2	4.2	5.6	5.1	4.2
Housing subsidies	0.8	1.2	1.5	1.2	1.5	1.5	1.1
School lunch	3.1	3.9	3.8	4.8	3.3	5.0	4.1
Federal taxes	-17.3	-19.3	-10.2	-13.9	-11.2	-14.3	-15.2
EITC	14.6	23.4	19.3	25.3	22.5	26.3	25.4
Total	26.0	33.4	37.5	37.6	37.7	37.1	36.0
Percentage point reduction in poverty rate due to:							
Social insurance	1.4	1.3	1.3	1.0	1.0	0.8	1.0
Means-tested cash benefits	0.6	0.6	0.5	0.6	0.4	0.3	0.4
Food stamps	0.7	0.6	0.5	0.4	0.5	0.4	0.4
Housing subsidies	0.1	0.1	0.1	0.1	0.1	0.1	0.1
School lunch	0.3	0.4	0.4	0.5	0.3	0.4	0.3
Federal taxes	(1.9)	(2.0)	(1.0)	(1.4)	(1.0)	(1.2)	(1.3)
EITC	1.6	2.4	1.9	2.5	2.0	2.3	2.1
Total	2.8	3.4	3.7	3.7	3.4	3.2	3.0

Source: Poverty counts are based on calculations by the Census Bureau

Table A-7
IMPACT OF SAFETY NET ON POVERTY GAPS
INDIVIDUALS IN WORKING SINGLE MOTHER FAMILIES

	1993	1994	1995	1996	1997	1998	1999
Total population (thousands):	17,492	18,567	19,578	20,306	20,378	21,435	21,695
Poverty gap (billions of 99 dollars):							
Cash income before transfers	15.7	16.2	15.6	17.1	17.2	16.6	16.0
Plus social insurance	13.8	14.2	13.9	14.7	15.1	15.0	14.7
Plus means-tested cash benefits (official measure)	10.5	10.7	10.6	11.5	12.3	12.4	12.5
Plus food stamps	8.3	8.3	8.3	9.1	9.8	10.2	10.5
Plus housing subsidies	7.0	7.2	7.0	7.8	8.4	8.6	8.9
Plus school lunch	6.5	6.6	6.4	7.2	7.7	7.9	8.2
Less federal taxes	7.1	7.4	7.0	7.9	8.6	8.8	9.1
Plus EITC	5.9	5.5	5.0	5.5	5.8	6.0	6.3
Poverty gap per poor person (99 dollars							
Cash income before transfers	2,452	2,353	2,249	2,341	2,234	2,193	2,204
Plus social insurance	2,389	2,269	2,163	2,239	2,154	2,133	2,146
Plus means-tested cash benefits (official measure)	1,936	1,856	1,785	1,862	1,844	1,866	1,931
Plus food stamps	1,631	1,562	1,557	1,593	1,572	1,648	1,718
Plus housing subsidies	1,463	1,454	1,390	1,443	1,408	1,469	1,538
Plus school lunch	1,379	1,408	1,358	1,395	1,362	1,420	1,477
Less federal taxes	1,420	1,431	1,367	1,402	1,386	1,431	1,485
Plus EITC	1,368	1,353	1,337	1,320	1,357	1,423	1,505
Percent reduction in poverty ga							
Social insurance	11.7	12.4	11.4	13.8	12.2	9.8	8.2
Means-tested cash benefits (official measure)	21.5	21.3	21.0	18.7	16.4	15.5	13.6
Food stamps	13.8	15.2	14.6	14.3	14.2	13.4	12.8
Housing subsidies	8.2	6.6	8.3	7.6	8.6	9.4	10.0
School lunch	3.6	3.6	4.0	3.6	3.7	4.1	4.2
Federal taxes	(4.2)	(4.8)	(4.2)	(4.4)	(5.2)	(5.1)	(5.7)
EITC	7.9	11.9	12.9	14.4	16.1	16.8	17.5
Total	62.6	66.2	67.9	68.1	66.1	63.9	60.5

Source: Poverty gaps are based on calculations by the Census Bureau.

Table A-8
IMPACT OF SAFETY NET ON POVERTY GAPS
INDIVIDUALS IN OTHER WORKING FAMILIES WITH CHILDREN

	1993	1994	1995	1996	1997	1998	1999
Total population (thousands):	111,303	112,629	113,270	114,138	114,980	114,899	116,859
Poverty gap (billions of 99 dollars):							
Cash income before transfers	20.5	18.5	17.8	17.8	17.2	15.3	15.1
Plus social insurance	16.7	15.2	14.8	14.9	14.2	13.1	12.6
Plus means-tested cash benefits (official measure)	14.3	13.1	12.8	12.7	12.4	11.8	11.1
Plus food stamps	12.3	11.1	10.9	11.0	10.9	10.4	9.9
Plus housing subsidies	11.8	10.6	10.5	10.6	10.5	9.9	9.5
Plus school lunch	11.1	9.9	9.7	9.8	9.9	9.2	8.8
Less federal taxes	14.5	14.4	11.4	11.7	11.6	11.0	10.5
Plus EITC	10.6	8.3	7.7	7.4	7.6	6.8	6.7
Poverty gap per poor person (99 dollars):							
Cash income before transfers	1,683	1,593	1,579	1,597	1,657	1,530	1,551
Plus social insurance	1,572	1,507	1,514	1,487	1,540	1,451	1,471
Plus means-tested cash benefits (official measure)	1,435	1,384	1,382	1,358	1,419	1,365	1,370
Plus food stamps	1,339	1,261	1,256	1,235	1,333	1,282	1,285
Plus housing subsidies	1,307	1,223	1,235	1,205	1,311	1,240	1,243
Plus school lunch	1,283	1,199	1,209	1,188	1,285	1,229	1,216
Less federal taxes	1,342	1,379	1,242	1,194	1,313	1,233	1,208
Plus EITC	1,182	1,069	1,098	1,056	1,174	1,088	1,085
Percent reduction in poverty gap							
Social insurance	18.4	17.6	16.6	16.6	17.5	14.2	16.4
Means-tested cash benefits (official measure)	11.7	11.7	11.6	12.0	10.6	8.6	9.8
Food stamps	10.0	10.7	10.6	9.7	8.8	9.0	8.1
Housing subsidies	2.1	2.7	2.2	2.4	2.2	3.5	3.0
School lunch	3.4	4.1	4.2	4.4	3.8	4.6	4.6
Federal taxes	(16.2)	(24.7)	(9.5)	(10.7)	(10.1)	(11.7)	(11.5)
EITC	18.7	33.2	20.9	24.3	23.1	27.2	24.9
Total	48.0	55.3	56.6	58.7	55.8	55.2	55.3

Source: Poverty gaps are based on calculations by the Census Bureau.